Richard P. Brummel March 24, 1997 Page Three

RELATED INFORMATION (Cont.):

- b. The Department finds that the new rates will ensure availability of Nursing Facility services because providers in Nebraska will receive rates which allow adequate reimbursement for continued participation in the program. Payment for ICF/MR services are not affected by this plan change. The short-term and long-term consequences of continuing provider participation are that services will remain available on statewide and geographic basis, with proper care furnished to those in need of services.
- c. This Addendum details the computation of the percent increase allowed for the interim rate computation, Section 12-011.07D. The costs of implementing nursing home reform are included in this Addendum's computations of interim rates (and are included in Nursing Facility costs reported to the Department on their June 30, 1996 Cost Reports), and are further explained in Addendum #2 (see below).

NURSING HOME REFORM REQUIREMENTS:

Nebraska State Plan Amendment MS 92-12, Addendum #2, details the specific methodology used in determining the adjustment in payment amounts for OBRA 87 requirements as required by Section 4801(e)(1)(B) of OBRA 90. This Addendum is still applicable and in effect, although we assume that all costs of complying with OBRA 87 are now reflected in reported costs.

If you have any questions regarding this State Plan Amendment, please contact Tom Folmer at (402) 471-9202.

Sincerely,

Robert J. Seiffert, Administrator

Medical Services Division

Enclosure

STATE OF NEBRASKA

NRTMENT OF SOCIAL SERVICES

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E. Benjamin Nelson Governor

February 1, 1996

Richard P. Brummel Associate Regional Administrator for Medicaid Room 227, Federal Office Building 601 East 12th Street Kansas City, MO 64106-2898

Dear Mr. Brummel:

The enclosed Plan Amendment MS-96-1 addresses our nursing facility payment rate methodology for services to Nebraska Medicaid clients. This amendment revises Addendum #3 to the State Plan. Addendum #3 details the computation of the percentage which is used to increase allowable June 30, 1995, costs, to calendar year 1996 interim rates. We request your approval of this State Plan change.

ASSURANCES:

- a. REASONABLE AND ADEQUATE RATES: The Department finds that the rates promulgated under this system are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers which provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- b. COSTS OF COMPLYING WITH OBRA 87: The Department finds that the rates promulgated under this system provide for the payment of costs (including the costs of services required to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident eligible for benefits under the title) of complying with the nursing home reform requirements of OBRA 87.
- c. COSTS OF COMPLYING WITH Part 483 Subpart B of 42 CFR Ch. IV: The Department finds that the rates promulgated under this system take into account the costs of complying with the requirements of Part 483 Subpart B of 42 CFR Ch. IV.
- d. APPROPRIATE REDUCTION: The Department finds that the rates promulgated under this system provide for an appropriate reduction to take into account the lower costs (if any) for nursing care of a facility which is under a waiver of the requirement to provide licensed nurses on a 24 hour basis.

CENTRAL OFFICE

P.O. Box 95026 • Lincoln, Nebraska 68509-5026 • Phone (402) 471-3121
Translation Services Can Be Arranged • (402) 471-3121
TDD/TT(Telephone for the Hearing Impaired) (402) 471-9570

An Equal Opportunity/Affirmative Action Employer

STATE OF NEBRASKA

HOFA-MEDICAID REGION VII

DEPARTMENT OF SOCIAL SERVICES
Dean Harvey

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February 28, 1995

Richard P. Brummel Associate Regional Administrator for Medicaid Room 227, Federal Office Building 601 East 12th Street Kansas City, MO 64106-2898

Dear Mr. Brummel:

The enclosed Plan Amendment MS-95-1 addresses our nursing facility payment rate methodology for services to Nebraska Medicaid clients. This amendment revises Addendum #3 to the State Plan. Addendum #3 details the computation of the percentage which is used to increase allowable June 30, 1994, costs, to calendar year 1995 interim rates. We request your approval of this State Plan change.

ASSURANCES:

- a. REASONABLE AND ADEQUATE RATES: The Department finds that the rates promulgated under this system are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers which provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- b. COSTS OF COMPLYING WITH OBRA 87: The Department finds that the rates promulgated under this system provide for the payment of costs (including the costs of services required to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident eligible for benefits under the title) of complying with the nursing home reform requirements of OBRA 87.
- c. COSTS OF COMPLYING WITH Part 483 Subpart B of 42 CFR Ch. IV: The Department finds that the rates promulgated under this system take into account the costs of complying with the requirements of Part 483 Subpart B of 42 CFR Ch. IV.

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Richard P. Brummel February 1, 1996 Page Two

- e. PUBLIC DATA: The Department finds that the data and methodology used in establishing payment rates are available to the public.
- f. UPPER LIMITS: This Plan Amendment does not change requirements under Section 12-011.03, which state that "because Title XVIII principles of reimbursement are further restricted by this regulation, the aggregate payments by the Department do not exceed amounts which would be paid under Title XVIII principles of reimbursement for extended care facilities".

Aggregate payments to State operated facilities may not exceed the amount that can reasonably be estimated that would have been paid under Medicare payment principles.

- g. PROVIDER APPEALS: This Plan Amendment does not change plan provisions under Section 12-011.13, which provide for a facility appeal process.
- h. UNIFORM COST REPORTING: This Plan Amendment does not change plan provisions under Section 12-011.09 which provide for uniform cost reports from all providers.
- i. AUDIT REQUIREMENTS: This Plan Amendment does not change plan provisions under Section 12-011.10, which provide for periodic audits.
- j. PUBLIC NOTICE: Public notice was published on December 31, 1995.
- k. REVALUATION OF ASSETS: This Plan Amendment does not change plan provisions under Section 12-011.06H, which outline the cost basis allowed for facilities purchased on or after December 1, 1984.
- RATES PAID: Per diem rates are computed in accordance with these methods and standards.

RELATED INFORMATION:

a. The estimated average payment rates are:

Average Per Diem

1/1/95

1/1/96

All Nebraska Facilities

\$66.17

\$70.99

which may be further broken down as follows:

Located in MSA:

Waivered

\$55.16

N/A (no applicable facilities)

Non-Waivered

\$78.82

\$85.16

Not Located in MSA:

Waivered

\$57.68

\$65.82

Non-Waivered

\$64.52

\$67.99

Richard P. Brummel February 1, 1996 Page Three

RELATED INFORMATION (Cont.):

- b. The Department finds that the new rates will ensure availability of Nursing Facility services because providers in Nebraska will receive rates which allow adequate reimbursement for continued participation in the program. Payment for ICF/MR services are not affected by this plan change. The short-term and long-term consequences of continuing provider participation are that services will remain available on statewide and geographic basis, with proper care furnished to those in need of services.
- c. This Addendum details the computation of the percent increase allowed for the interim rate computation, Section 12-011.07D. The costs of implementing nursing home reform are included in this Addendum's computations of interim rates (and are included in Nursing Facility costs reported to the Department on their June 30, 1995 Cost Reports), and are further explained in Addendum #2 (see below).

NURSING HOME REFORM REQUIREMENTS:

Nebraska State Plan Amendment MS 92-12, Addendum #2, details the specific methodology used in determining the adjustment in payment amounts for OBRA 87 requirements as required by Section 4801(e)(1)(B) of OBRA 90. This Addendum is still applicable and in effect, although we assume that all costs of complying with OBRA 87 are now reflected in reported costs.

If you have any questions regarding this State Plan Amendment, please contact Tom Folmer at (402) 471-9202.

Sincerely,

Robert J. Seiffert, Administrator

Medical Services Division

Enclosure

Richard P. Brummel February 28, 1995 Page Two

- d. APPROPRIATE REDUCTION: The Department finds that the rates promulgated under this system provide for an appropriate reduction to take into account the lower costs (if any) for nursing care of a facility which is under a waiver of the requirement to provide licensed nurses on a 24 hour basis.
- e. PUBLIC DATA: The Department finds that the data and methodology used in establishing payment rates are available to the public.
- f. UPPER LIMITS: This Plan Amendment does not change requirements under Section 12-011.03, which state that "because Title XVIII principles of reimbursement are further restricted by this regulation, the aggregate payments by the Department do not exceed amounts which would be paid under. Title XVIII principles of reimbursement for extended care facilities".

Aggregate payments to State operated facilities may not exceed the amount that can reasonably be estimated that would have been paid under Medicare payment principles.

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- h. UNIFORM COST REPORTING: This Plan Amendment does not change plan provisions under Section 12-011.09 which provide for uniform cost reports from all providers.
- i. AUDIT REQUIREMENTS: This Plan Amendment does not change plan provisions under Section 12-011.10, which provide for periodic audits.
- j. PUBLIC NOTICE: Public notice was published on December 20, 1994.
- k. REVALUATION OF ASSETS: This Plan Amendment does not change plan provisions under Section 12-011.06H, which outline the cost basis allowed for facilities purchased on or after December 1, 1984.
- 1. RATES PAID: Per diem rates are computed in accordance with these methods and standards.

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Richard P. Brummel February 28, 1995 Page Three

RELATED INFORMATION:

a. The estimated average payment rates are:

	Average Per Diem			
	1/1/94	1/1/95		
All Nebraska Facilities	\$62.03	\$66.17		
which may be further broken	down as follows:			
Located in MSA:				
Wavered	\$56.63	\$55.16		
Non-wavered	\$72.14	\$78.82		
Not Located in MSA:				
Wavered	\$55.78	\$57.68		
Non-wavered	\$61.20	\$64.52		

- b. The Department finds that the new rates will ensure availability of Nursing Facility services because providers in Nebraska will receive rates which allow adequate reimbursement for continued participation in the program. Payment for ICF/MR services are not affected by this plan change. The short-term and long-term consequences of continuing provider participation are that services will remain available on statewide and geographic basis, with proper care furnished to those in need of services.
- c. This Addendum details the computation of the percent increase allowed for the interim rate computation, Section 12-011.07D. The costs of implementing nursing home reform are included in this Addendum's computations of interim rates (and are included in Nursing Facility costs reported to the Department on their June 30, 1994 Cost Reports), and are further explained in Addendum #2 (see below).

NURSING HOME REFORM REQUIREMENTS:

Nebraska State Plan Amendment MS 92-12, Addendum #2, details the specific methodology used in determining the adjustment in payment amounts for OBRA 87 requirements as required by Section 4801(e)(1)(B) of OBRA 90. This Addendum is still applicable and in effect, although we assume that all costs of complying with OBRA 87 are now reflected in reported costs.

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Richard P. Brummel February 28, 1995 Page Four

If you have any questions regarding this State Plan Amendment, please contact Tom Folmer at (402) 471-9202.

Sincerely,

Robert J. Seiffert, Administrator

Medical Services Division

Enclosure

State Flam N: 6 95-1 Personal Late APR 18 1995.

STATE OF NEBRASKA

"ARTMENT OF SOCIAL SERVICES

J Dean Harvey



E. Benjamin Nelson Governor

September 2, 1994

Richard P. Brummel Associate Regional Administrator for Medicaid Room 227, Federal Office Building 601 East 12th Street Kansas City, MO 64106-2898

Dear Mr. Brummel:

HCFA-MEDICAID REGION VI

Plan Amendment MS-94-9 addresses The enclosed our facility payment rate methodology for services to Nebraska Medicaid clients. This amendment incorporates section 12-011.07K into the State Plan. This section allows a closing facility to receive payment rates over those which would be otherwise allowed if the facility is over our various reimbursement maximums. is proposed because: 1) unusual expenses may be incurred by the facility (one example may be excessive use of nursing pool labor because permanent staff has left), and 2) cost inefficiencies will likely result because few residents remain in a heavily staffed facility during the final days. High per day costs which are not under control of the facility result; however, the cost is both reasonable and necessary under the conditions. request your approval of this State Plan change.

ASSURANCES:

- a. REASONABLE AND ADEQUATE RATES: The Department finds that the rates promulgated under this system are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers which provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- b. COSTS OF COMPLYING WITH OBRA 87: The Department finds that the rates promulgated under this system provide for the payment of costs (including the costs of services required to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident eligible for benefits under the title) of complying with the nursing home reform requirements of OBRA 87.

Richard P. Brummel September 2, 1994 Page Two

- c. COSTS OF COMPLYING WITH Part 483 Subpart B of 42 CFR-Ch. IV: The Department finds that the rates promulgated under this system take into account the costs of complying with the requirements of Part 483 Subpart B of 42 CFR Ch. IV.
- d. APPROPRIATE REDUCTION: The Department finds that the rates promulgated under this system provide for an appropriate reduction to take into account the lower costs (if any) for nursing care of a facility which is under a waiver of the requirement to provide licensed nurses on a 24 hour basis.
- e. PUBLIC DATA: The Department finds that the data and methodology used in establishing payment rates are available to the public.
- f. UPPER LIMITS: This Plan Amendment does not change requirements under Section 12-011.03, which state that "because Title XVIII principles of reimbursement are further restricted by this regulation, the aggregate payments by the Department do not exceed amounts which would be paid under Title XVIII principles of reimbursement for extended care facilities".

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- h. UNIFORM COST REPORTING: This Plan Amendment does not change plan provisions under Section 12-011.09 which provide for uniform cost reports from all providers.
- i. AUDIT REQUIREMENTS: This Plan Amendment does not change plan provisions under Section 12-011.10, which provide for periodic audits.